

## Message Text

CONFIDENTIAL

PAGE 01 BELGRA 04992 01 OF 02 081647Z

43

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 CCO-00 NSCE-00 /031 W

----- 040809

O 081530Z OCT 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 801

C O N F I D E N T I A L SECTION 1 OF 2 BELGRADE 4992

EXDIS

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.) YO

SUBJECT: SECRETARY'S VISIT TO YUGOSLAVIA

REF : STATE 220184

1. PARAGRAPHS WHICH FOLLOW ARE KEYED AND RESPOND TO  
COUNTERPARTS IN REFTEL.

2. (A) METHOD OF APPROACH, SENSITIVITIES:

TITO WILL BE IN THE ROLE OF STATESMAN, A WORLD FIGURE  
WITH HIS OWN HISTORICAL PERSPECTIVE, READY TO COMMENT ON  
ALL ISSUES AND PERSONALITIES BUT PREPARED TO LISTEN AS  
WELL. TITO IS VAIN ABOUT BEING THE LAST OF THE WORLD  
WAR II LEADERS WTILL ACTIVE ON THE WORLD STAGE, AND THIS  
CAN USEFULLY BE ACKNOWLEDGED. HE EXPECTS AND APPRECIATES  
RECOGNITION OF YUGOSLAVIA'S ROLE IN WORLD AFFAIRS AND  
WILL REPOND TO SOLICITATION OF HIS VIEWS ON THE TOUGHEST  
PROBLEMS. HE WILL BE EXTREMELY SENSITIVE TO ANY IMPLICA-  
TION THAT YUGOSLAVIA CAN BE SUBJECTED TO PRESSURE - FROM  
ANY DIRECTION.

TITO WILL RECOGNIZE THE PRIMARY RESPONSIBILITY OF  
THE GREAT POWERS IN SEEKING SOLUTIONS TO WORLD PROBLEMS,  
BUT WILL CLAIM A ROLE FOR THE SMALLER POWERS PARTICULARLY  
ON ECONOMIC ISSUES AFFECTING THE DEVELOPING WORLD IN WHICH  
HE CONSIDERS YUGOSLAVIA HAS A LEADING ROLE. HE WILL ALSO  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BELGRA 04992 01 OF 02 081647Z

INSIST THAT YUGOSLAVIA MUST BE HEARD ON CRISIS AREAS

PROXIMATE TO HER BORDERS. THUS, HE WILL DEFEND ARAB AND LDC ACTIONS AND MOTIVES, STRESS THE IMPORTANCE OF NONALIGNMENT, AND INSIST THE UNITED STATES CAN CONTROL ISRAEL IF IT WISHES. HE WILL WARN OF THE DANGERS OF FAILURE TO FIND A CYPRUS SOLUTION. HE WILL UNDERLINE YUGOSLAV CONCERN LEST ANY CENTRAL EUROPE ARRANGEMENTS IGNORE HER VITAL INTERESTS.

KARDELJ WILL PROBABLY HOPE TO IMPRESS THE SECRETARY WITH YUGOSLAVIA'S STABILITY AFTER TITO. HE IS YUGOSLAVIA'S EXPERT ON THE CONSTITUTIONAL SYSTEM - IN MANY RESPECTS HIS OWN BRAINCHILD - AND WILL BE PREPARED TO TALK AT LENGTH ON HOW THE SYSTEM PROTECTS THE WORKER, NATIONALITIES, AND OTHER INTEREST GROUPS. BUT THIS CAN BE TEDIOUS, AND KARDELJ SHOULD BE MOVED FROM THEORY TO THE MORE PRACTICAL DISCUSSION OF YUGOSLAVIA'S RELATIONS WITH EASTERN EUROPE, PARTICULARLY THE USSR WHERE HE RECENTLY SAW BREZHNEV. WHILE KARDELJ'S VIEWS ON POST-TITO YUGOSLAVIA WILL BE VOLUNTEERED AND IN ANY CASE SHOULD BE SOUND, NO MENTION SHOULD BE MADE OF SPECULATION THAT HE IS THE LEADING CANDIDATE FOR THE TITO MANTLE.

A STRAIGHTFORWARD FACTUAL APPROACH WILL BE BIJEDIC'S MEAT. HE IS A PRACTICAL POLITICIAN WITH NO KNOWN HANGUPS, JOVIAL AND GREGARIOUS, NOT PARTICULARLY PROFOUND.

HE WILL TALK BILATERALS ON THE PRACTICAL LEVEL: VISITS AND CONSULTATIONS, TRADE, INVESTMENT, IMPORTANCE OF EXIM CREDITS, COOPERATION IN SCIENCE, TECHNOLOGY AND CULTURE. FROM PRIDE HE WILL NOT RAISE, BUT WILL EXPECT TO HAVE ADDRESSED THE QUESTION OF HIS VISIT TO THE UNITED STATES.

(B) PRACTICAL MATTERS THE SECRETARY SHOULD RAISE WITH TITO:

- US DEDICATION TO EQUITABLE SOLUTION OF WORLD PROBLEMS.
- FORD ADMINISTRATION COMMITMENT TO PRINCIPLES OF 1971 JOINT STATEMENT.
- SOVIET COMMITMENT TO DETENTE - ASSESS AND ASK TITO'S VIEWS ON THIS AS WELL AS CURRENT RELATIONS WITH USSR.
- DESCRIBE MIDDLE EAST OBJECTIVES : ASK TITO'S VIEWS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BELGRA 04992 01 OF 02 081647Z

- CYPRUS - STRESS US NOT INVOLVED IN COUP AND OUTLINE US VIEWS. CITE, IN PASSING, DISAPPOINTMENT AT TITO'S CHARGES.
- IN CONNECTION THIS AND OTHER CURRENT DEVELOPMENTS, STRESS NEED TO BE FACTUAL AND APOLEMICAL, ALERT TO OTHERS' SENSITIVITIES.
- MILITARY COOPERATION - SAY DETAILS BEING TAKEN UP WITH MINIC.
- ECONOMIC COOPERATION - INTEREST IN FURTHER EXPANSION

OF BILATERAL TRADE, JOINT INVESTMENT, INDUSTRIAL AND TECHNICAL COOPERATION. HOPE FOR BETTER UNDERSTANDING AND COOPERATION ON MULTILATERAL TRADE, MONETARY AND DEVELOPMENT PROBLEMS.

KARDELJ:

- YUGOSLAV-SOVIET RELATIONS.
- SIGNIFICANCE OF RECENT COMINFORM AFFAIR - HAS THIS AFFECTED YUGOSLAV ASSESSMENT OF SOVIET INTENTIONS.

### 3. ISSUES/TALKING POINTS

#### (A) US-YUGOSLAV RELATIONS

US POLICY TOWARD YUGOSLAVIA - OUR COMMITMENT TO 1971 JOINT STATEMENT SHOULD BE REITERATED ONCE AGAIN, WITH STRESS ON LONG-RANGE CONTINUITY OF US POLICY TOWARD YUGOSLAVIA.

YUGOSLAV TREATMENT OF US FOREIGN POLICY POSITIONS EMPHASIZE THAT WHILE WE DO NOT EXPECT THEM TO AGREE WITH US ON ALL ISSUES, WE DO EXPECT SENSITIVITY TO OUR IMPERATIVES.

MILITARY RELATIONS - TO MAINTAIN PARITY WITH BALKAN NEIGHBORS (ALL EXCEPT ALBANIA SUPPLIED BY EITHER NATO OR WP) AND KEEP A CREDIBLE DETERRENT FORCE, YUGOSLAVS HAVE TO TURN TO ONE OR THE OTHER SIDE FOR MORE SOPHISTICATED TECHNOLOGY. THEY WOULD RATHER BE EXCLUSIVELY DEPENDENT ON NIGITHER, BUT THEIR OPTIONS DISAPPEAR IF WE CONTINUE TO WITHHOLD WESTERN WEAPONS TECHNOLOGY. MILITARY WILL PLAY KEY ROLE IN AFTER-TITO PERIOD, AND WE NEED TO KNOW THEM BETTER. WE SHOULD EXPRESS OUR FUNDAMENTAL AND LONG-RANGE INTEREST IN CLOSER MILITARY RELATIONS, INCLUDING WILLINGNESS TO CONSIDER SALE OF SOPHISTICATED TECHNOLOGY. WE SHOULD BE PREPARED DISCUSS QUESTION OF OSD/ISA ASST SEC

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BELGRA 04992 01 OF 02 081647Z

VISIT, WITH FOLLOW-ON SECDEF VISIT.

ECONOMIC RELATIONS - WE ARE PLEASED THAT US-YUGOSLAV TRADE IS INCREASING RAPIDLY AND THAT THERE HAS BEEN GRADUAL GROWTH IN JOINT VENTURES AND INSUTRIAL COOPERATION. BOTH COUNTRIES DESIRE FURTHER EXPANSION. HOWEVER, AMERICAN INVESTMENT GROWTH HAS SLOWED BECAUSE (A) PROFIT REMITTANCE CAN COME ONLY FROM HADR CURRENCY EARNINGS, (B) LEGAL SITUATION RE JOINT DEVELOPMENT OFFSHORE OIL AND BASIC MATERIALS IS UNRESOLVED, AND (C) INADEQUATE YUGOSLAV PROMITION WORK. YUGOSLAVS SHOULD BE URGED TO LIBERALIZE AND CLARIFY INVESTMENT LEGISLATION, AND DEVELOP MORE CONCRETE INDIVIDUAL PROPOSALS.

INTENSIFIED EFFORT IS NEEDED TO DEVELOP MUTUAL

UNDERSTANDING AND A MEASURE OF COOPERATION ON MULTILATERAL ECONOMIC MATTERS. US AND YUGOSLAVIA AGREE ON SUCH BASIC GOALS AS REDUCTION OF TRADE BARRIERS; SPEED UP OF LDC DEVELOPMENT; REFORM THROUGH COOPERATION NOT CONFRONTATION; AVAILABILITY OF FOOD, ENERGY AND OTHER ESSENTIALS AT PRICES BOTH DEVELOPED AND LDC'S CAN AFFORD. THIS COULD BE TRANSLATED INTO PRACTICAL JOINT OR PARALLEL INITIATIVES IN INTERNATIONAL FORUMS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BELGRA 04992 02 OF 02 081645Z

43

ACTION SS-30

INFO OCT-01 ISO-00 CCO-00 SSO-00 NSCE-00 /031 W

----- 040744

O 081530Z OCT 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 802

C O N F I D E N T I A L SECTION 2 OF 2 BELGRADE 4992

EXDIS

(B) CYPRUS

WHILE NON-US INVOLVEMENT IN COUP SHOULD BE MENTIONED, ISSUE SHOULD NOT BE BELABORED SINCE YUGOSLAVA HAVE BY NOW GOTTEN POINT FROM STRAIGHT TALK IN WASHINGTON, NY AND HERE. YUGOSLAVS WOULD LIKE TO PLAY ROLE IN SOLUTION AND WILL STRESS NECESSARY INVOLVEMENT OF UN.

(C) MIDDLE EAST

YUGOSLAVS SEEK ROLE HERE TOO AND BACK ARABS DOWN THE LINE.

(D) DETENTE

NOTE ABSENCE OF US-SOVIET CONDOMINIUM OVER YUGOSLAVIA; YUGOSLAV DRIVE TO INCLUDE MEDITERRANEAN ISSUES IN CSCE; DESPITE WHAT THEY MAY BE SAYING, FUNDAMENTAL YUGOSLAV APPREHENSION IS THAT RESULT OF MBFR COULD BE FAILURE OF PROPORTIONATE WARSAW PACT REDUCTION IN HUNGARY, LEAVING THEM EXPOSED TO INCREASED PRESSURES.

(E) YUGOSLAV-ITALIAN RELATIONS AND TRIESTE

THE YUGOSLAVS CLAIM TO SEE A RESURGENCE OF FASCISM IN ITALY, AND EXPRESS ALARM AT THIS BECAUSE THEY BELIEVE THE FASCISTS LIKELY TO BLOCK FINAL SOLUTION TO TRIESTE PROBLEM. A CURRENT ECONOMIC PROBLEM IS EEC CUTOFF OF MEAT PURCHASES ITALY HAVING BEEN THE PRINCIPAL IMPORTER OF YUGOSLAV MEAT. CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BELGRA 04992 02 OF 02 081645Z

TRIESTE AND MEAT ASIDE, RELATIONS ARE GOOD, WITH BOTH SIDES SEEING THIS IN THEIR BEST INTERESTS.

YUGOSLAV POSITION ON TRIESTE AT THIS POINT SEEMS RELATIVELY INFLEXIBLE. THEY WANT WHAT THEY SEE AS "THEIR" PROBLEM RE BORDERS SOLVED BEFORE EUROPEAN STATUS QUO IS BLESSED BY CSCE AND WHILE TITO IS STILL AROUND TO HELP. WHATEVER THE GENESIS OF THE CURRENT FLAP, THE ITALIANS PLAYED INTO YUGOSLAV HANDS BY REITERATING CLAIM TO ZONE B SOVEREIGNTY, AND THE YUGOSLAVS NOW WILL SETTLE FOR NO LESS THAN ITALIAN ACKNOWLEDGEMENT THAT ZONE B IS YUGOSLAV DE JURE AS WELL AS DE FACTO. THEY WILL SIMPLY STAND ON THAT POSITION UNTIL THERE IS AN ITALIAN GOVERNMENT WHICH CAN MAKE THAT CONCESSION, AND BECAUSE OF THE TITO FACTOR THEY WILL CONTINUE TO AGITATE TO TRY TO SPEED THE PROCESS.

4. THE FRAMEWORK FOR THE POST-TITO ERA, INSTITUTIONS AND PEOPLE, WAS SET EARLIER THIS YEAR WITH ADOPTION OF NEW CONSTITUTION AND SHUFFLE OF PARTY INSTITUTIONS. THUS, AFTER FOUR UNSETTLED YEARS INTERNAL POLITICAL SCENE IS MARKED BY STABILITY AND CALM. PRIMARY ACTIVITY INVOLVES TRYING TO TRANSLATE THEORY OF NEW DELEGATE SYSTEM INTO PRACTICAL MECHANISMS FOR GOVERNING.

THIS DOES NOT OF COURSE MEAN NATIONALITY DIFFERENCES AND DISPUTES OVER RESOURCE ALLOCATION HAVE MAGICALLY DISAPPEARED. WHAT HAS BEEN DONE IS TO ESTABLISH INSTITUTIONS AND LAWS WHICH COME CLOSER TO ASSURING DIVERSE ELEMENTS - BE THEY ETHNIC OR ECONOMIC - THAT THEY HAVE THE LEVERAGE TO PROTECT THEIR OWN INTERESTS. USE OF THE LEVERAGE DOES AND WILL PRODUCE SOME FIREWORKS, SUCH AS DISCUSSION IN SEPTEMBER 30 SESSION OF LCY PRESIDIO ON RESOLUTION OF CONFLICTING REGIONAL ECONOMIC INTERESTS, DURING WHICH SEVERE CRITICISM WAS LEVIED AT SELFISH REGIONAL BEHAVIOR. BUT SO LONG AS THESE DISPUTES ARE OPENLY JOINED AND HANDLED BY THE INSTITUTIONS, THEY SHOULD NOT THREATEN THE BASIC FABRIC.

ON THE ECONOMY IN GENERAL FUEL AND MATERIAL COST INCREASES AND EEC MEAT BAN ARE CAUSING PAYMENTS BALANCE

PROBLEMS WHICH, HOWEVER, WILL REMAIN MANAGEABLE THIS YEAR  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BELGRA 04992 02 OF 02 081645Z

DUE TO ACCUMULATED FOREIGN EXCHANGE RESERVES AND EXCELLENT  
GRAIN HARVESTS. OTHER MAJOR PROBLEMS INCLUDE 25 PERCENT TO 30  
PERCENT INFLATION RATE, CONTINUED SHORTAGE OF INVESTMENT  
CAPITAL.

THERE MAY HAVE BEEN NATIONALIST OVERTONE TO THE  
COMINFORMIST AFFAIR WHICH SURFACED IN ECONOMICALLY BACKWARD  
MONTENEGRO AND KOSOVO (CENTRAL DISTRIBUTION OF WEALTH  
CONTINUES TO HAVE MORE APPEAL TO HAVE-NOTS THAN TO HAVES,  
HERE AS ELSEWHERE). BUT THAT IS NOT THE MAIN IMPORT OF  
THIS AFFAIR.

THIRTY-TWO INEPT CONSPIRATORS DID NOT THREATEN  
YUGOSLAVIA, AND HAD THEIR FOREIGN CONTACT BEEN EQUALLY  
INSIGNIFICANT THE MATTER WOULD NOT BE WORTHY OF ATTENTION.  
BUT THEIR LINES RAN TO THREE SOCIALIST BROTHERS, INCLUDING  
THE USSR. THE SOVIETS CAN NOW PROTEST TO DOOMSDAY THAT  
THEY GAVE NO NURTURE AND ENCOURAGEMENT TO THE KIEV GROUP  
THE YUGOSLAVS WILL NEVER BELIEVE THEM. THUS, HAVING HAD  
THEIR WORST FEARS CONFIRMED, I.E., THAT SOVIET INTENTIONS  
HAVE BEEN AND REMAIN TO DO WHATEVER NECESSARY WITHIN BOUNDS  
OF ACCEPTABLE COST TO RETURN YUGOSLAVIA TO THE "CAMP",  
THE YUGOSLAVS WILL NOW DO WHATEVER THEY FEEL NECESSARY TO  
KEEP THAT COST UNACCEPTABLY HIGH. IF THERE REALLY WAS A  
DANGER OF YUGOSLAVIA DRIFTING BACK TOWARD THE CAMP, ENTICED  
BY REASSURING SOVIET COOS ABOUT INDEPENDENCE WITH THE  
SOCIALIST BROTHERHOOD - AND WE DON'T BELIEVE THERE WAS  
IT HAS NOW DISAPPEARED. THAT IS THE REAL SIGNIFICANCE  
OF THIS EVENT.

IMPACT OF THE COMINFORMIST CASE ALREADY IS BEING  
FELT. PARTY PRONOUNCEMENTS ON NEED FOR VIGILANCE ARE NOW  
INCLUDING WARNINGS OF THE DANGERS OF PRO-SOVIET MANIFESTA-  
TIONS. AND WHILE HAVING APPARENTLY DECIDED TO CONTINUE  
NORMAL OVERT PARTY AS WELL AS STATE RELATIONS WITH THE  
SOVIETS AND BLOC FRIENDS, THESE WILL NOW BE SURFACE MANIFE-  
STATIONS AND NOT HERALDS OF FUNDAMENTAL CHANGE.

IN OTHER SPHERES, YUGOSLAV-SOVIET TRADE IS UP 60  
PERCENT THIS YEAR, BUT ONLY 10 PERCENT REPRESENTS REAL  
GROWTH - THE REST REFLECTS RAPID ESCALATION IN SOVIET OIL  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BELGRA 04992 02 OF 02 081645Z

AND RAW MATERIAL PRICES. DRAWDOWN ON THE FIRST 540 MILLION  
DOLLAR SOVIET DEVELOPMENT CREDIT CONTINUES AT A SNAIL'S  
PACE, AND THE YUGOSLAVS SHOW LITTLE INTEREST IN THE ADDI-  
TIONAL 500 MILLION PROFFERED. THUS, YUGOSLAV-SOVIET RELATIONS  
IN GENERAL AT THIS POINT ARE ON PLATEAU WITH NO NEW  
PEAKS IN SIGHT TO CLIMB.  
TOON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 OCT 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BELGRA04992  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740285-0455  
**From:** BELGRADE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741065/aaaacdhx.tel  
**Line Count:** 338  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** STATE 220184  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 MAY 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 MAY 2002 by martinml>; APPROVED <11 MAR 2003 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SECRETARY'S VISIT TO YUGOSLAVIA  
**TAGS:** OVIP, YO, (KISSINGER, HENRY A)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005